.C.A. Cigarrera Bigott, Sucs.

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Mark

please clarify to me your
arrangements ; i.e
• volume through ...
• pricing "discount" if $2.50. Why o
BoW is making = ...

Caracas, End. December, 1992

Mr. Keith S. Dunt
Territorial Director
BAT Millbank
U.K.

RE: <u>Belmont H.L. sales ex Aruba via Panama to Turbo.</u>

Dear Keith:

I was wrong in our meeting last week when I said that we are
giving a rebate to Romar for Belmont H.L. which is transhipped
through Panama. The rebate was stopped on the 10th. of August
1992. Our first shipment was made to Panama for Brown and
Williamson in September 1992.

The rebate was stopped on the 10th. August 1992, when the price
to Maicao and our price to Romar was reduced by US$ 7.50 per 10
mille case. You will remember that this reduction was made to
maintain the US$ 10 price differential with Belmont Ecuador
which had previously been reduced by US$7.50 per case.

The rebate was stopped because we could no longer afford it
with the reduced invoice price to Romar. We told Romar in order
to keep the Panama route open they had to absorb the costs of
shipping and handling.

The route through Panama was originally opened up by Romar with
the agreement of myself and Brown and Williamson. The
conditions were that Romar would sell from Aruba to
longstanding Maicao clients who would tranship through Panama
and onto Turbo. The rebate for Romar was initially introduced
to cover the extra shipping and handling costs to Panama.
Without the rebate we were not priced competitively against
Derby and Belmont Ecuador which were being chipped out of
Panama to Turbo.

Our existing price structure is as follows:

Romar: FAS Punto Fijo US$ 87.50 per 10 M case. ✓
Brown and Williamson: FOB La Guaira US$ 85.00 per 10 M case. ✓

Best regards,

Mark Waterfield
MBW/lcp 021292

cc: J.M. Wurmser
D.O. Laux